

# In the Field



EASTERN REGION

JUNE 2015

## Keeping the Team in the Field

The value of insurance—and of the companies that stand behind the coverage—is proven by the level of service farmers receive when they make a claim. That’s the reason ProAg® has always made certain they have the best “boots on the ground” in the business. Overseeing the team of experienced individuals that work claims in the Eastern Region is the responsibility of Regional Claims Manager David Renfroe.

David, an Ohio native, is a 20-year veteran of the crop insurance industry. “I started out in crop insurance in 1995, the year that the FSA first required all farmers to have a CAT policy in order to qualify for deficiency payments,” David says. “There was a lot of business in the state and no adjusters, so I started adjusting and did that for 12 years. That led to a lead adjuster position, then to supervisor, then regional claims manager, and now to a territory claims manager.”

Although he’s been with ProAg for the past eight years, David has been working with many of the members of his team for much longer. “I have 13 claims supervisors who report to me, and I’ve been fortunate in that many of us have stayed together through the moves that are pretty common in the crop insurance industry,” he notes. “I’ve worked with several members of the staff for most of my 20 years. We’re a lot like family.”

### Seeing the big picture

Though he doesn’t get into the field as often as he did during his adjusting days, David hasn’t lost the ability to relate to both the agent and the insured. He still lives on the farm where he grew up with his family raising corn, tobacco, and cattle. “I still raise corn, cattle, and hay, but the tobacco is gone,” David notes.

In his role as territory manager, David spends less time in the field and more time working with his team. “Most of my time is spent on training and coordinating the training meetings, reviewing high-dollar claims, working with problem claims, and managing my team,” he says. “I do enjoy putting the trainings on and working with our adjusters.”

David says, “Keeping a level head when others are understandably stressed” is one of the characteristics which serves him well in his current role. “You also have to be a self-starter, look at the task in front of you, work until you get it done, and work without much supervision,” he adds. “One of the little

things that makes a huge difference—and this still amazes me—is returning phone calls promptly. People seem so surprised when that happens, and it goes a long way with them when they’re dealing with a situation.”

Another tenet that David lives by is that a good manager gives the credit and takes the blame. “I believe that when something goes right, it’s due to our team,” he states. “Your staff and your agents need to be recognized for the work they do and know they’re appreciated.”

That’s a big reason David is happy to work for ProAg. “I have worked for a number of companies, and ProAg is by far the best company I’ve ever worked for,” he says. “They really take an interest in the welfare of their employees.” 



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# Hail Coverage That Works for You

By Rick Warner, Senior Sales Manager

Hail season is upon us, and a question we often receive from agents and others is how best to combine crop hail and named-peril products to their clients' multi-peril policies to maximize coverage.

As we head into the planting season, we want to ensure that agents and producers are doing so with their coverage complete.

For insureds that elected EU on their MPCI, elevated spot hail/wind risk is a concern compared to OU policies. An excellent solution would be to add a basic or companion hail policy. The Companion 2 Plus product from ProAg® is a top performer and exceptional value in this regard. Adding a wind endorsement to the hail policy would further enhance the coverage.

While this is a very basic concept to consider, we have many other advanced strategies utilizing crop hail and named-peril products that we can help you tailor to fit the particular needs of your insureds.

Speak with your ProAg marketing representative today for more

suggestions that will work specifically for your regional needs.

## Preparing for 2016

We've made the decision to offer Price Flex™ for 2016 beginning immediately. This gives our agents a powerful tool that they can use now to get their producers thinking about their risk management plan for 2016.

This big-picture concept adds value to the relationship between agents and producers by establishing a longer-term view of risk management planning. It escalates it by moving insurance from a once-a-year decision toward a year-round risk management discussion. Looking at Price Flex already for 2016 allows agents and their producers to take the first step in that direction.

We stand ready to serve as your partner in the process of risk management planning, so don't hesitate to ask us how we can help. 🍷

## Ben Latham – A Lifetime of Achievement

When Ben Latham received a Crop Insurance Industry Lifetime Achievement Award during the 2015 Crop Insurance Industry Annual Convention, it was a fitting recognition of what has truly been a life dedicated to the crop insurance industry.

Jess "Ben" Latham III was literally born to write crop insurance. His grandfather, Jess Latham Sr., began selling crop insurance on horseback in the 1910s and in 1927 founded what became ProAg® in Amarillo, TX, where Mr. Latham was born. After college and a stint trading commodities, he entered the family business in 1973. As the dominant crop hail writer in a state known for violent hailstorms, Mr. Latham became the pre-eminent authority in the world on Texas crop hail. He was joined later in the decade by his brother, Larry, and began to build the family company with the goal of a national presence.

Mr. Latham understood the value of industry relationships and leadership. Early in his career he brought his expertise to CHIAA and the actuarial committee and various industry committees until 1997, when he was elected to the NCIS Board of Directors. Twice during his many years of service, he was elected to hold the position as Chairman of the NCIS Board. During his tenure, he participated in four Standard Reinsurance Agreement negotiations, numerous committees, and gave his time to other industry board organizations. He also lent his considerable knowledge to international crop hail organizations and served four years as a board member. In his effort to bring understanding and credibility to this insurance industry, he has traveled extensively—not just in this country, but in Europe and Africa as well.

In 2003, Mr. Latham became CEO of ProAg. Over the next several years, he oversaw the fastest-growing crop insurance company in the industry. What was a regional hail company had now grown to more than 480 employees and was spread over 40



states. He doubled the premium of ProAg three times during his seven-year stint as CEO. However, because of SRA changes during the 2008 timeframe, it became apparent to Mr. Latham that ProAg was no longer best served by family ownership and needed an institutional parent. In 2009, ProAg was sold to CUNA Mutual, ending Latham family ownership of the company after 83 years.

"ProAg as an organization still reflects Ben's character as a person and a leader," states Kendall Jones, ProAg Chief Operations Officer. "Integrity, doing whatever it takes to get the job done, the focus on family, that's Ben. He's a warm man with a great sense of humor, and his belief in our abilities has been a great encouragement."

Mr. Latham ended his career in 2012 having seen and been a part of changes that would have been unimaginable to his grandfather in the 1920s. He served on the Board of Directors of ProAg until 2014 and now spends his time playing bogey golf (oftentimes with many friends made in the industry) and traveling to visit his children and grandchildren. 🍷

# Mapping System Ready for Rollout

By Mike Weber, Product Specialist

Over the past few years, the RMA has made a concerted effort to incorporate CLUs into their reporting systems to better track the operations taking place on every field. Our challenge at ProAg® is to align the grower information we receive with the CLUs the government has created. That is the motivation behind our mapping system.

The mapping system, which we rolled out in pilot form last year, enables us to address several of our reporting requirements simultaneously. In years past, producers and agents would have to report acreage as part of the system requirements for eligibility, then come back later to certify the operation at the CLU level. Now that is one step, making it more efficient for everyone while also reducing the opportunity for errors.

We learned some valuable lessons from our pilot program, and our development focus over the past six months has been on creating a more efficient and user-friendly mapping program. We're now rolling out a mapping program that will be easier to use and fully support all standard MP crops we insure.

The delivery of the CLU data into the policy system has been streamlined, enabling users to do their acreage reporting in either the policy or the mapping system and have the data appear in both. Improved program functions include an integrated panel

rather than a pop-up window, making the program easier to use in conjunction with the map imagery. Reporting will also be more flexible in terms of working on CLUs individually or mass reporting acreage and planting date information to several CLUs at once.

## Agent advantage

Additional benefits which add value for our agents include generating a variety of printed reports that our agents can use as sales tools. We've enhanced the formatting, created new options to account for regional and state differences, and generally made these reports more useful for our agents and their insureds.

Because this is a new program, we still have a long wish list of enhancements we want to introduce. One of these that will be incorporated in time for acreage reporting season is a right-click menu. This will allow the user to easily access the 10-15 most common tasks faced when trying to edit and create a map, increasing the ease, efficiency, and accuracy of map creation and maintenance.

Our goal is to make the mapping program as usable and useful as possible for you. We welcome your continued input as you put it to the test in your real world. 🌾

# Simplified Process Can Streamline Claims

By Rob Young, National Claims Manager

The Loss Adjustment Manual (LAM), written and published by the Risk Management Agency (RMA), permits AIPs and producers to voluntarily participate in the Simplified Claims Process (SCP). This is a service ProAg® now offers to our agents and policyholders. So, what is the SCP? Simply put, when certain claims qualify for the SCP, the LAM permits us to adjust the claim without conducting normally required field inspections. This results in quicker claims processing and less hassle for the insured.

## What are the qualifications?

Production losses for eligible crops that are either sold or commercially stored and do not have any quality deficiencies qualify for SCP. Also, the gross indemnity must not exceed \$20,000 for any optional units and must not exceed \$40,000 for any basic,

whole farm, or enterprise unit. The LAM also excludes policyholders who have any conflict of interest and provides additional guidelines.

Eligible crops include almonds, buckwheat, barley, canning and processing sweet corn, canola, corn, cotton, dry beans, dry peas, flax, grain sorghum, green peas, oats, peanuts, popcorn, rapeseed, rice, rye, soybeans, sugar beets, sunflowers, and wheat.

## How it works

When the notice of loss is filed via the ProAgWorks® system, the agent may select the SCP claim type. As usual, the simplified claim (SC) will be assigned to a ProAg adjuster. During the initial contact with the insured, the adjuster will ascertain whether or not the claim qualifies for the SCP. The adjuster will provide instructions

to the insured as to the claims documents that must be provided. These documents can be submitted via fax, email, or regular mail. The adjuster will then prepare the claims and necessary documents for the insured's signature, which can also be delivered via fax, email, or regular mail. Should the claim not qualify as an SC, then the adjuster will work the claim accordingly and make a field visit.

Adjusters are also encouraged to utilize the process when a claim qualifies, even though it may not have been initially reported as an SC. In these cases, adjusters will provide this option to the insured and work the claim accordingly. The claim type may change when the claim is being processed for payment.

Please contact a ProAg claims representative with any additional questions. 🌾



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## The Way Forward – Our 2016 Reinsurance Year Training Focus



By Jeffrey Vanlandingham, Regional Vice President – Eastern Region

The impact of federal crop insurance policy and procedure changes resulting from Farm Bill legislation has been a big story for ProAg® in 2015. We have been heavily involved in the grower education process regarding the ARC and PLC programs,

and given careful attention to conservation compliance and the completion of 1026AD forms at the local Farm Service Agency Office. We are beginning to see evidence of the Risk Management Agency’s training initiatives for the 2016 reinsurance year.

Major details affecting procedure continued to emerge well into the 2015 reinsurance year. The clarification of numerous details, questions, and scenarios that required further response from RMA will continue in 2016.

Topics that demand further clarification will be the Yield Exclusion Option and the overview of how existing options, such as Yield Adjustment and Yield Trending, impact such databases that are inclusive of this option. Two entirely new programs that resulted from the Farm Bill legislation—the addition of a peanut revenue option and the implementation of Whole Farm Revenue in a 45-state area—will also be carefully reviewed for further possible revision during their initial year of grower participation.

The RMA’s continued promotion of Whole Farm is underscored with upcoming meetings in the northeast. The intention is to meet directly with growers to gain feedback regarding possible barriers to program participation in an area traditionally underserved by crop insurance. Also of note—the RMA is actively soliciting feedback from the AIP community regarding agent and grower concerns that may have been barriers to the program’s initial release in February of 2015.

Drawing on information we gathered at training meetings and grower visits with agency support, ProAg continues to

provide “summary and response” to address concerns we found in the program throughout the sales season and improve the overall risk management features. Your continued feedback and our commitment to serve the risk management needs of the entire grower community will allow us to have a vested interest in planned 2016 Whole Farm Revenue Handbook slip sheets as well as potential policy changes due prior to the Aug. 31 contract change date.

Early feedback from our growers and agents continues to focus on four major roadblocks: (1) reduced subsidies for single commodity growers, (2) entity changes that disallow participation based upon the configuration of individuals, partnerships, and corporations, (3) the exclusion of historical risk management loss dollars that affect a grower’s simple history average for income revenue, and (4) further detail of crop varieties where history dictates that crop production should be distinguished from an overall grouping category for commodity count and rate impact. We feel our representation of these issues, as well as others, will produce positive change for the 2016 Whole Farm policy.

Due to RMA’s restrictions on the release of any private submission pilot program (inclusive of 508H) due to the implementation of key Farm Bill procedure changes, we also expect to see a significant amount of new pilot programs introduced for 2016.

As we continue the process of creating training materials, our focus remains on the development and execution of quality meetings with valuable discussion that results in better understanding of complicated risk management tools. We look forward to exceeding your training and operations expectations in the 2016 reinsurance year. Most importantly, we thank you for your valued business partnership. 🍷